

AWARD

In the Matter of:	)	
	)	
Story County Community Life	)	
Public Employer	)	
	)	Micheal L. Thompson
and	)	
	)	Arbitrator
AFSME/Iowa Council 61, Local 3847	)	
Public Employee Organization	)	
	)	

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Appearances:

For the Employer:

Sherry Howard, Administrative Officer  
Rod Reynolds, Assistant County Attorney  
Gayla Harken, Program Director  
Ron Christensen, Assistant Director  
Sandra Hammond, Residential and Medical Services Director

For the Public Employee Organization:

Tracy Conner, AFSME Union Representative  
Pam Breer, President Local 3847  
Helen Starbuck, Vice President Local 3847

## **STATEMENT OF JURISDICTION**

The matter proceeds to a fact finding hearing pursuant to the statutory provisions established in the Public Employment Relations Act, Chapter 20, code of Iowa. The above named arbitrator was selected from a list furnished to the parties by the Public Employment Relations Board.

An interest arbitration hearing was held on April 14, 2004 at 9:00 am at Ames, Iowa. The hearing was electronically recorded. At the hearing the parties (Story County Community Life hereinafter Employer and AFSME/Iowa Council, 61 Local 3847 hereinafter Union) were given the full opportunity to introduce evidence, facts, and arguments in support of their respective positions. Upon the basis of the evidence, facts, and arguments presented, the following award was made.

## **STATEMENT OF THE ISSUES**

At the hearing, the Union reported the following issues:

### **Item B, Insurance (Flexible benefits)**

The Employer would pay \$625 for Single Insurance coverage and \$700 for Family Insurance Coverage.

### **Wage Increase**

The Union offers a 3 % across the board increase effective July 1, 2004  
And a 2% increase across the board increase effective January 1, 2005.

At the hearing, the Employer reported the following issues:

**Flexible Benefit Plan**

The Employer's contribution to the flexible benefit plan will remain  
At \$550.00 per month.

**Wages**

The Employer will provide a 1.5% wage adjustment effective July 1, 2004  
And an additional adjustment of 1% effective January 1, 2005.

**CRITERIA APPLIED IN MAKING AWARD**

The Iowa Public Employment Relations Act contains criteria that are to be used by an arbitrator in judging the reasonableness of the parties' collective bargaining proposals. The Act establishes the criteria that are to be used by interest arbitrators in formulating their awards. Section 22.9 of the Act provides, in relevant part:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
- b. Comparison of wages, hours, and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effects of such adjustments on the normal standard of service.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

With the criteria mandated for arbitrators firmly in mind and based upon the entire record developed at the hearing, the award contained in this report is formulated

## **POSITIONS OF THE PARTIES**

### **Position of the Union**

The Union calls for increasing the amount paid for single insurance coverage from \$550 to \$625 and for family insurance overage from \$550 to \$700.

The Union also calls for a wage increase of 3% effective July 1, 2004 and an additional increase of 2% effective January 1, 2005.

### **Position of the Employer**

The Employer asserts that it is facing financial hardships and that its contribution to the flexible benefit plan will remain at \$550 per month.

In addition the Employer calls for a wage increase of 1.5% increase across the board for each employee effective July 1, 2004 and an additional adjustment of 1% effective January 1, 2005.

## **Background**

Story County is located in the central part of the state and it is a mixture of rural and urban areas that includes numerous small towns and farming populations. The parties have engaged in collective bargaining since 1993. While the bargaining relationship has been relatively free of acrimony, impasse procedures have been utilized. The current contract is for the year that begins July 1, 2004, and the parties have been unable to resolve the preceding issues. The Employer and Union have spent considerable time in bargaining and negotiations, including the intervention of a mediator to voluntarily resolve the issues. This effort was unsuccessful and the impasse proceeded to hearing. The parties have voluntarily agreed to waive any statutory time limitations.

The Employer and Union presented evidence and each asserted their respective positions. The impasse appears to have generated intense feelings for both groups. The subscribed fact finder has reviewed and considered, at length, the arguments, records, and evidence presented and has carefully considered each point raised by the Employer and Union.

This dispute centers around two issues – wages and insurance. While they are separate issues, each impact upon the monetary framework of the county. As part of the arbitration, the economic issues are paramount, and they have created some acrimony. During the hearing, each party was given ample time to present evidence and testimony regarding their respective position. At the end of the session each party elected to present a closing statement.

Given the history of negotiations, the parties have experience with comparability. The County and the Union used different comparability groupings. The

Union presented a comparability grouping that was extensive including numerous county hospitals and home care units. The Employer presented a more narrow comparability unit including internal and external comparability units. The Employer argued that the residential care unit is different than the employees at nursing homes and home care units.

Among the strategic factors for a neutral to consider in making an award is the comparability group. The weight given by the arbitrator is a function of several factors, which include, but are not limited to: geographical proximity, size of population, demographic characteristics, and other relevant financial data. Therefore, it is not necessary to adopt in its entirety, either party's group as most appropriate. However, appropriate weight has been given to each grouping. Before noting the comparability group, it should be noted that the Union spent considerable time detailing the reasons for using its comparability group. While this was not lost on the arbitrator, it did not reach the level to convince the arbitrator that it was more appropriate. However, the Union was convincing with respect to internal comparability within the County – while it is evident that the County wishes to keep all of its units on the same insurance approach, there is little comparability between the residential unit, the Sheriff's Department and County-Secondary Roads.

The first issue is insurance or flexible benefits. The Employer is seeking to maintain the benefit coverage such that employees' single health coverage is paid. (Note, however, that the actual coverage is changing with respect to deductibles and other costs). In addition employees can choose to not take the coverage and take the bulk of the amount in additional salary. The offer by the Employer is based upon a number

of factors which include:

1. comparability;
2. limited ability to pay as the levy has reached the maximum; and
3. internal comparability with other County employees outside the unit.

The Union counters that this is not an inability to pay issue – the Employer can levy taxes and use funds in the budget for payment. Additionally the Union asserts that the insurance and wages represent a total dollar package, which is affordable and does not exceed the ability of the Employer to levy. Another point raised by the Union is that the coverage has been reduced, and that the coverage reduction amounts to a loss in pay.


In reaching a decision on this issue, the arbitrator finds that the Union and Employer have distinctly different views related to the ability to levy. In this instance the Employer's articulation of the facts was stronger, as the Employer's assertion re: the levy was not contested. It is obvious that the Employer has limited ability to pay, which was noted (called budget constraints) and not controverted by the Union. It is also unclear as to comparability that the payment of the single insurance benefit is out of line with other public employee groups regardless of the comp group used. The Employer presented better evidence. Thus it is not compelling to increase the insurance or benefit package and the dollar amount allocated will remain at \$550. While the coverage has been reduced, the data suggests that few actually use the insurance, and that most take the benefit as wages. This only reinforces the continuation of the payment at \$550. In making this decision it should be clear that it is apparent that the employees will pay more out of pocket expenses, and that the benefit package is part of a total compensation package.

The next issue is wages. Accordingly, the issue is what is a fair wage. In this instance the Union and Employer report different comparability groups and different wages, which reflect differences in jobs. The Employer again uses internal comparability -- Secondary Roads and Sheriff's Department as well as other groups. The Union uses a broad group of entities ranging from private organizations to Public Hospitals to Care facilities. On this level the Arbitrator finds the Union group to be better, although there are questions. It is apparent that the residential assistants are behind some similar employees in other locales, yet it is unclear how each employer arrives at an understanding of the job classifications -- the difference between Home Health Aides, Assisted Living Aides, Certified Med Aides and residential assistants. The Employer, again, was convincing regarding the unit and ability to levy and hence pay. However, the internal comparability argument by the employer was not persuasive. The Union's argument on comparability was convincing while the issue of ability to pay was not persuasively argued. In weighing the relative arguments, the Arbitrator finds the Employer's assertion to be most reasonable. Again the surprise reflected by the Union when the Employer indicated it was at the maximum levy was significant. It was apparent that the ability to pay issue was not totally recognized by the Union. Thus the Arbitrator awards the raise of 1.5% effective July 1, 2004 and an additional amount of 1% effective January 1, 2005.

Dated and signed by:



Micheal L. Thompson, Arbitrator





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### **Certificate of Service**

I certify that on the 27th day of April, 2004 I served the foregoing Fact finding Recommendations upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Tracy Conner  
AFSME Iowa Council 61  
4320 NW 2<sup>nd</sup> Avenue  
Des Moines, Iowa 50313

Sherry Howard  
Story County Courthouse  
104 S. Hazel  
Ames, Iowa 508

I further certify that on the 27th day of April, 2004, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, Iowa 50309.